



County of Los Angeles CHIEF EXECUTIVE OFFICE

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Chief Executive Officer

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May 2, 2014

To: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

TEMPORARY CURTAILMENT OF DEFERRED COMPENSATION AND THRIFT PLAN (HORIZONS) MATCHING CONTRIBUTIONS FOR REPRESENTED PLAN PARTICIPANTS

The County of Los Angeles Deferred Compensation and Thrift Plan (Horizons) and the Fringe Benefits Memoranda of Understanding with the Coalition of County Unions and Service Employees International Union (SEIU) Local 721 (unions) impose a fiscal year cap on the total matching contributions that the County can make to County employees who are represented by the unions (represented participants). The Horizons cap on County matching contributions for Fiscal Year 2013-14 is \$121 million. The Horizons Plan ordinance requires notification to affected participants should it be determined that funding will be insufficient to meet the matching contributions necessary to provide participants their full match during the fiscal year.

The Fiscal Year 2013-14 Horizons cap is expected to be met with contributions scheduled for the pay period ending May 30, 2014. The remaining funds authorized for matching purposes will be approximately 61.75 percent of the projected matching contributions needed to meet the full 4 percent match. As a result, represented participants who participate in the Horizons Plan will have a corresponding pro rata reduction of the County's matching contribution for the pay period ending May 30, 2014, (the paycheck issued June 13, 2014). There will be no County matching contributions for the pay periods ending June 15, 2014, and June 30, 2014, (the paychecks issued June 30, 2014, and July 15, 2014). Employee take-home pay will not be affected and there will be no change in employee personal contributions to the Plan.

"To Enrich Lives Through Effective And Caring Service"

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Full matching contributions of up to 4 percent will resume in the new fiscal year commencing with contributions for the pay period ending July 15, 2014, which will be reflected on the paycheck issued July 30, 2014. The Horizons cap on County matching contributions for Fiscal Year 2014-15 will be \$130 million and in Fiscal Year 2015-16, there will be no cap on the match.

This temporary match curtailment does not affect Los Angeles County Employees Retirement Association (LACERA), Superior Court, or non-represented employees. County matching contributions for this group of employees will continue without interruption.

PARTICIPANT NOTIFICATION OF COUNTY MATCH CURTAILMENT

In early May, participants will receive their Horizons newsletter and account statement at their address of record. The newsletter will contain a match curtailment article describing the temporary reduction. Also in early May, a match curtailment bulletin will be placed on the Plan website at www.countyla.com which will provide participants with 24/7 access to match curtailment information.

Participants who have questions regarding the temporary Horizons match curtailment should be directed to Great-West Financial®, the Horizons Plan record-keeper, at (800) 947-0845. Representatives are available Monday through Friday from 7 a.m. to 5 p.m. Pacific Time. Any questions regarding the content of this memorandum should be directed to Susan Moomjean at (213) 893-0040.

WTF:BC:JA:MTK
SM:KBG:mst

c: Department Heads
Administrative Deputies
Personnel Officers
Horizons Plan Administrative Committee
SEIU, Local 721
Coalition of County Unions
Guild for Professional Pharmacists
Los Angeles County Association of Environmental Health Specialist
Association of Public Defender Investigators
Professional Peace Officers Association
Union of American Physicians
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